

REMARKS

After entry of the foregoing amendment, claims 18-25 remain pending in the application. All but claims 23 and 25 are unchanged.

Claims 18, 20-21, and 23-25 stand rejected as anticipated by Linnartz (6,314,518).

The rejection is respectfully traversed.

Each of these rejected claims requires that the watermark have only two possible states: present or absent.

Linnartz is not understood to teach such an arrangement.

As detailed at col. 4, lines 3-9, Linnartz speaks of “two categories of watermarks.” These are: status a/b, or status c. However, Linnartz does not teach two states where one of these is the absence of a watermark, as required by the claims.

Later, at col. 5, lines 6-10, Linnartz explains that his arrangement actually has *three* watermark states:

- Watermarked in state c
- Watermarked in state a/b; or
- Not watermarked (state d)

Again, this does not meet the claims’ requirement of a *two-state* system, where one of the states is the absence of a watermark.

In view of the foregoing, Linnartz does not appear to teach that for which it has been cited. Accordingly, applicant does not belabor this response by considering other language of claims 18-21 and 23-25, or other arguments concerning the art.

Claims 23 and 25 are amended for the purpose of clarity, rather than for purposes related to patentability. (A particular watermark has only *one* state. The “two states” is the universe of possibilities from which that state can be drawn.)

Claim 22 stands rejected as anticipated by Ezaki, with particular reference to col. 10, lines 26-31 and 40-49.

Ezaki is understood to teach an arrangement in which copy control information is transformed into a watermark signal that is embedded in - and subsequently detected

from - the video content. (The video content watermark can also convey other data, such as copyright information, as noted at col. 7, lines 48-54.)

Ezaki is not understood to teach the arrangement of claim 22. For example, Ezaki is not understood to examine the picture data for a digital watermark “only if the copy control data is missing,” as required by clause (b).

Before particularly considering the excerpt cited in the Action in support of this limitation (col. 10, lines 40-49), the text and drawing discussion leading up to this excerpt are first reviewed.

Starting at col. 8, line 39, the specification begins description of the embodiment depicted in Fig. 8. As there described, a watermark is encoded into the video by block 1 (found at the left of Fig. 8), yielding a signal S1 that comprises both the original video (S0) and the watermark (SM). This watermark is subsequently decoded from signal S1 by the Electronic Watermark Decoder 40 near the bottom of Fig. 8. This Decoder outputs copy control information, decoded from the watermark, on line S40.

If the copy control information decoded from the watermark and output on line S40 indicates that the video is permitted to be copied, then Quantization Circuit 36 in Fig. 8 operates normally (col. 9, lines 54-58), quantizing the watermarked video. However, if the copy control information from the watermark indicates that the video is *not* to be copied, then the signal on line S40 causes the Quantization Circuit 36 to operate in a non-normal way, invalidating its output (col. 9, lines 58-65).

Coding Circuit 38 follows the Quantization Circuit 36. If the copy control information on line S40 indicates that the video is permitted to be copied, then the normally-quantized watermarked video output from Quantization Circuit 36 is coded normally (col. 10, lines 1-7) and output to the Recording Apparatus on line S3. However, if the copy control information on line S40 indicates that the video is *not* to be copied, then the Coder Circuit 38 is understood to output useless information on this line (col. 10, lines 7-17).

In addition to controlling the Quantization Circuit 36 and the Coder Circuit 38, the copy control information decoded from the watermark and output on line S40 is also applied to the Host Computer 7 (bottom of Fig. 8). This Computer issues a signal, on line

S7, to the Recording Apparatus 5, controlling its operation. If the copy control signal indicates that copying of the video is permitted, then the signal output by the computer 7 on line S7 permits the Recording Apparatus 5 to perform recording. However, if the copy control signal indicates that copying of the video is *not* permitted, then the signal output on line S7 inhibits recording by the Recording Apparatus. (See col. 10, lines 18-25.)

This brings us to the paragraph cited in the Action, col. 10, lines 40-49:

In this manner, only when the copy control information (CC information) included in the electronic watermark embedding information S1 indicates permission of copying and the electronic watermark decoder 40 detects the copy control information to produce copy control information S40 and then the host computer 7 produces a control signal S7 for permitting a recording operation of the signal recording processing apparatus 5, the signal recording processing apparatus 5 records the electronic watermark embedding coding information S3.

As can be seen, this passage of Ezaki does not teach an arrangement in which – only if the copy control data is missing, is the picture data examined for a digital watermark.

Rather, this passage (and the rest of Ezaki) teaches an arrangement in which the picture data is *always* examined for a watermark. Ezaki's Watermark Decoder 40 (Fig. 8) is *always* operative. It is not (as in the arrangement of claim 22) only invoked when copy control data is missing.

In view of this distinction, applicant does not belabor this response by considering other language of claim 22, or other arguments concerning the art.

Favorable reconsideration and passage to issuance are solicited.

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